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Milk Used In Fluid Items Is Running Below A Year Ago

The Dairy Situation, Economic Research Service, USDA, August 1961

Significant decline appears in prospect for whole milk. —Before World War II the civilian per capita consumption of fluid whole milk stayed mostly within a range of 250 to 280 pounds. However, consumption increased rapidly during World War II, with a record 335 pounds per capita in 1945. Use of fluid whole milk during this period benefited by the rapidly rising consumer incomes and the war-induced shortage of durable goods and certain other foods. After the war, per capita was adjusted downward to a low of 293 pounds in 1950, recovered to a level close to 300 pounds in the next 4 years, and then moved up to a peak of 306 pounds in 1956. Since then, per capita has been falling off by an average of 5 pounds per year.

In September 1954, the Special Milk Program was inaugurated under the Agricultural Act of that year. This program was designated to increase the use of fluid whole milk in schools above those quantities already being consumed under the National School Lunch Program. Under the provisions of the 1954 Act, the CCC was directed to use some of its funds to reimburse schools for part of the cost of the extra milk served. Later, eligibility under the program was extended to non-profit child care institutions such as settlement houses, summer camps, and similar institutions. In 1955, the first full year of operation, the added use of whole milk in schools under the Special Milk Program was equivalent to 3 pounds per capita

and in 1956 to an additional 2 pounds, or a total of 5 pounds.

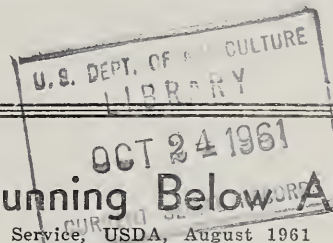
Total per capita civilian consumption increased 4 pounds in 1955 and 3 pounds in 1956, indicating that the Special Milk Program was largely responsible for the greater consumption in 1955 and 1956. Since 1956, however, per capita use under the Special and National School Lunch Programs combined, has increased less than 1 pound per year, while per capita use from other sources has been declining several times as fast. As a result, civilian per capita consumption of fluid whole milk declined from 306 pounds in 1956 to 287 pounds last year.

During the same period, real incomes have increased 3 percent, and the average retail price of whole milk in constant dollars has changed less than 1 percent. Milk prices moved closely in line with food prices in general. These developments suggest that consumer attitudes toward whole milk may be gradually changing in recent years. Some of the change in consumer tastes and performances stems from a conscious effort by many to reduce their intake of certain fats, for health or other reasons. About a fourth of the decline in per capita consumption, however, has resulted from the sharp reduction in the number of farm families keeping milk cows. Farm families with milk cows use considerably more fluid milk products than the rest of the population, and when they give up dairying they do not maintain their former rate of consumption.

Even though the per capita consumption of fluid whole milk has fallen off in the last four years, aggregate consumption has remained unusually stable because of population growth. This stability also represents a balance between expanded use off farms and reduced use on farms. Information to date from Government-regulated fluid milk markets suggests that aggregate whole milk consumption by the nonfarm population so far in 1961 is running lower than in 1960, and therefore will not provide an offset to declining farm consumption.

Cream items continue downtrend. —The use of cream items has been even more severely affected by the same factors which have limited the consumption of whole milk. Except for no change last year, the per capita consumption of all cream items in the last decade has fallen more than a fourth, from 12.6 to 9.3 pounds. The result has been a persistent lowering of the total use of these fluid items rich in milkfat. In addition to the overall decline in consumption in terms of product weight, there has been a pronounced shift within the cream items group to products containing less fat, from heavy cream to light cream, and from light cream to milk and cream mixture. As a result of this shifting, the total quantity of milk utilized in cream items per capita has declined by almost $\frac{1}{3}$, compared with a decline of $\frac{1}{4}$ in the weight of all the cream products combined. Another significant reduction

(continued on back page)





Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Producers' Uniform Price (4%)	
Class I (3.5%)	
Class II (3.5%)	
Class III (3.5%)	
Class IV (3.5%)	
Producer Butterfat Differential for each one-tenth percent	

August 1961	July 1961	August 1961
\$4.47	\$3.89	\$4.21
4.86	4.27	4.585
4.664	4.48	4.394
4.264	4.08	3.994
3.927	3.784	3.699
3.254	3.164	2.998
7.8¢	7.6¢	7.5¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	
Percent of Producer Butterfat in Class I	
Percent of Producer Milk in Class II	
Percent of Producer Butterfat in Class II	
Percent of Producer Milk in Class III	
Percent of Producer Butterfat in Class III	
Percent of Producer Milk in Class IV	
Percent of Producer Butterfat in Class IV	

78.1	73.1	79.5
78.0	72.6	78.7
8.5	8.8	8.6
2.7	2.7	2.8
4.9	4.6	3.3
7.2	6.5	4.5
8.5	13.5	8.6
12.1	18.2	14.0

PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Production per Producer	
Average Butterfat Test	
Total Value of Producers Milk at Test	
Income per Producer (7 day average)	

26,599,504	28,284,509	26,234,265
670,028	666,590	672,969
1,218	1,241	1,623
705	735	521
3.60	3.61	3.64
\$1,205,952.13	\$1,218,823.99	\$1,129,368.51
\$223.57	\$221.77	\$157.13

GROSS CLASS USE (Pounds)

Class I Skim	
Class I Butterfat	
Class I Milk	
Class II Skim	
Class II Butterfat	
Class II Milk	

20,025,476	19,922,017	20,110,727
746,179	742,288	751,307
20,771,655	20,664,305	20,862,034
2,364,866	2,536,016	2,338,795
26,424	27,528	27,028
2,391,290	2,563,544	2,365,823

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

265,779	260,239	270,168
5,782	5,634	6,217
11,872	10,673	12,688
11,416	11,330	10,117
7,913	7,755	7,966

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

★ Aug., 1952 - '61

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1952	19,286,647	3.85	72.9	25.0	2.1	—	4.96	5.078	4.678	3.902	—	2,122	293
1953	22,847,072	3.77	68.9	22.0	9.1	—	4.38	4.61	4.21	3.433	—	2,223	331
1954	22,164,011	3.78	73.6	7.9	10.8	7.7	4.10	4.277	3.877	3.877	3.101	2,157	331
1955	22,723,836	3.70	77.0	8.9	11.3	2.8	4.33	4.427	4.027	4.027	3.151	2,089	351
1956	24,008,583	3.70	76.0	9.8	9.5	4.7	4.34	4.496	4.096	4.096	3.220	2,032	381
1957	23,766,796	3.64	80.7	8.8	6.7	3.8	4.41	4.579	4.179	4.079	3.076	1,892	405
1958	22,444,604	3.71	83.9	9.0	2.8	4.3	4.25	4.383	3.983	3.883	2.880	1,782	406
1959	25,347,579	3.64	85.2	9.1	2.3	3.4	4.37	4.479	4.079	3.753	3.054	1,738	471
1960	26,234,265	3.64	79.5	8.6	3.3	8.6	4.21	4.394	3.994	3.699	2.998	1,623	521
1961	26,599,504	3.60	78.1	8.5	4.9	8.5	4.47	4.664	4.264	3.927	3.254	1,218	705

Slight Increase In Livestock Numbers In Prospect For 1961-62

The Feed Situation Economic Research Service USDA, July 1961

Based on mid-year prospects, farmers will be feeding slightly more livestock in terms of grain-consuming animal units in the 1961-62 feeding year. The total number of grain-consuming animal units to be fed is now expected to increase to about 170 million, 1.5 percent over 1960-61 and an increase of about 6 percent in the past 4 or 5 years. These early indications for livestock feeding in 1961-62 will be influenced by the 1961 feed crops and changes in the livestock-feed price relationships.

Increases are in prospect for hog and poultry production. Cattle feeding is expected, at least, to equal the 1960-61 level. The 1961 spring pig crop was 7 percent larger than in 1960 and pros-

pects are for a 3 percent increase in the fall crop. This will mean more hogs will be on farms at least through the first half of the 1961-62 feeding years.

Favorable returns from cattle have encouraged increased grain fattening of cattle in recent years. The number on feed has increased about a third in the last 3 years. On July 1, 2 percent more cattle were on feed than a year earlier. The favorable level of milk prices relative to feed in recent years and increasing production of milk per cow have resulted in a 30 percent increase in the rate of feeding per cow since 1955. On June 1, dairy-men were feeding 6 percent more grain and other concentrates per cow than a year earlier. Drought and short forage supplies that have developed in a number

of the North Central States have probably increased feeding rates in those areas.

Declining prices in poultry have resulted in lower poultry-feed price ratios than a year ago. In June, the broiler-feed price ratio dropped to 2.7, the lowest on record and substantially below the 3.8 a year ago. The turkey-feed price ratio also was down from a year earlier, and below the 10-year average. In April-June, the egg-feed price ratio was also below last year. However, more chickens are being raised this year and more layers will be on farms, at least during the first half of the 1961-62 feeding year, than in 1960-61. Broiler production is expected to continue its upward trend in 1961-62, but the rise may be less than in most recent years.

High-Protein Feed Prices In July Above A Year Ago

The Feed Situation, Economic Research Service USDA, July 1961

High-protein feed prices have been considerably higher this spring and summer than last, averaging about 20 percent above a year earlier in the first 3 weeks of July. Prices this spring and summer have been at the highest level in over 2 years. In the first 4 months of the current feeding year, high-protein feed prices were lower than in the same period of 1959-60. But, prices of these feeds rose nearly 30 percent from November to May. In the first 9 months of 1960-61 they have averaged slightly higher than in the same period of 1959-60.

The price of soybean meal at Decatur averaged \$64.50 per ton in the first 3

weeks of July, about \$14.00 per ton higher than a year earlier. Soybean meal prices continue high in relation to most other protein feeds. In July, the average price at Decatur was 14 percent above the 1955-59 average, a greater increase from the average than for any of the other protein feeds. While fish meal prices have risen 22 percent during the past year, in July they were still 15 percent below the 5-year average. Gluten feed prices also are below the 5-year average, while prices of most other protein feeds are above average and also higher than in July 1960.

The strong domestic demand for feed

this spring and summer has been a major factor maintaining prices of soybean meal and other protein feeds above those of last year. Soybean meal prices have continued higher even though supplies available for domestic feeding have been the heaviest of record and up 6 percent over last year. The limited supplies of soybeans remaining for crushing in July-September will make the price of soybean meal sensitive to changes in demand and supply conditions this summer. With the larger 1961 crop in prospect, soybean meal prices are expected to decline seasonally this fall.

MILK USED IN FLUID ITEMS

(continued from front page)

in the use of cream items appears to have taken place in the first half of this year.

Nonfarm use of skim products up substantially. —On the other hand, the non-farm consumption of skim milk products has been substantially above the 1960 level so far this year. These increases, however, will be partially offset by declines in use on farms. Over the last decade, the up-trend in nonfarm use has been almost completely offset by the downtrend in farm consumption. The result has been that total civilian per capita consumption has stayed within the narrow range of 31 to 33 pounds per person in all years since 1950 with the exception of 1953 when it dropped to 29.4 pounds. Use on farms will have less of an effect on the overall level of future consumption because of the shrinking size of the population on farms with milk cows. Changes in the consumption of skim milk products are relatively unimportant from the standpoint of milk-fat utilization for two reasons; (1) They contain only a small percentage of milkfat; and (2) the use per capita is relatively small, roughly one-tenth as much as whole milk. However, skim items are important users of solids-not-fat, more so recently, because of the spreading practice of "enriching" skim milk products with added quantities of nonfat solids.

Taken all together, the indicated changes in the civilian consumption of the individual fluid items suggest that the total quantity of milk utilized for these

products thus far this year has been running significantly below the 1960 level. Last year, on a per capita basis, 324 pounds were used, compared with 359 pounds in 1947-49 and 330 pounds in 1935-39. Since 1956, per capita consumption of all items in terms of milk equivalent has been reduced by an average of $6\frac{1}{2}$ pounds per year. However, the decline in aggregate civilian consumption during this period was held to only 1 percent by a steadily growing population.

DIETARY MILK SALES

Federal Milk Market Order Statistics,
USDA, August 1961

Total sales of dietary milk products dropped for the fifth consecutive month. Sales were reported by handlers in 61 Federal markets for June and totaled 3,024,883 pounds.

HAY SUPPLY DOWN SLIGHTLY; PASTURES NEAR AVERAGE

The Feed Situation Economic Research Service
USDA, August 1961

The 1961 hay crop estimated on July 1 at close to 109 million tons is 8 percent below the big crop last year. The carry-over of hay on May 1, however, was over 6 million tons larger than a year earlier, bringing the total supply to 133 million tons, only 2 percent below the 1960-61 supply. The number of roughage-consuming animal units on farms is expected to be up slightly in 1961-62. The prospective supply of hay per animal unit is slightly below last year and about 5 percent below the 1955-59 average.

Market Quotations

AUG.
1961

12 MIDWEST CONDENSERIES 3.5% per Cwt.	\$3.173
4 CONDENSERIES (Cincinnati) 3.5% per Cwt.	2.8375
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.850
Evaporated Milk Code Price, 3.5% per Cwt.	2.900
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.3639
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.304
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.328
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo)	3.202
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State, North Central O.)	3.203
Average Weekly Cheddars price per lb.3475
Average price per lb. non-fat dry milk solids, roller process, delivered in Chicago15631
Average price per lb. 92-score butter at Chicago60466
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant.1512

THE Market Administrator's BULLETIN

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